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SUBJECT: "Long Live Serbia" -- DSS Plumbing the Depths of
Serbian Populism

REF:

SUMMARY

¶1. (SBU) Campaigning under the slogan "Long Live Serbia," PM Kostunica's DSS has made it abundantly clear that its election campaign will revolve around "patriotic" issues, especially Kosovo. Its coalition with populist mayors from central Serbia (including a close associate of assassinated war criminal Arkan) signals an effort to exploit localized, conservative movements to increase its mandate. However, a number of these junior coalition partners have dubious pasts and dubious democratic credentials. The more DSS provides an umbrella for these local chieftains, and the more DSS ratchets up nationalist rhetoric on Kosovo as the central theme of their campaign, the harder it will be for the democratic bloc parties to form a future government that will be constructive following a Kosovo final status settlement.

Kostunica's New Coalition With Questionable Characters

¶2. (SBU) Prime Minister Kostunica's DSS announced that it plans to enter into a pre-election coalition with "New Serbia" (NS), led by Minister of Capital Investment Velimir Ilic, as well as United Serbia (JS) and the Serbian Democratic Renewal Movement (SDPO). The election ticket will be listed as "DSS-NS Vojislav Kostunica," with their slogan "Long Live Serbia!" The List for Sadzak, supported by Suljeman Ugljanin, will run alone in the election but observers believe Ugljann will receive financial support from the DSS during the campaign and will align with the DSS in the future parliament. The DSS announced that it will campaign on what it calls the successful record of the Kostunica government -including adoption of the new constitution, and keeping Kosovo within Serbian borders. The DSS coalition plans to complete its election list on November 24.

¶3. (SBU) In courting these localized micro-parties, DSS is betting on its populist coalition allies to add a significant number of votes in central Serbia to the DSS-led ticket. The DSS coalition partners include local leaders who control their own regional fiefdoms by exploiting frustration over low living standards and fanning the flame of nationalism. An ancillary benefit to the DSS is that these depressed regions are fertile territory for exploiting passions over Kosovo - the main DSS campaign theme. The ability of DSS to capture these populists has no doubt been greatly facilitated by the

hasty departure from the political scene of Bogoljub Karic, whose populist PSS had been polling at some 11-12 percent - mostly at the expense of DSS and the Radicals. Karic and his business interests were systematically decimated by the government, ostensibly for alleged corrupt practices.

Fertile Soil for Populism

14. (U) Polls consistently show that low living standards, unemployment, and other economic issues are overwhelmingly the greatest concerns for Serbs, especially outside of Belgrade. While about 30 percent have traditionally embraced extreme nationalism and Radicalism to vent their frustrations, this trend has not shown growth since the fall of Milosevic. The remainder of the dispossessed (known locally as "transitional losers") has grown frustrated with the democratic parties, which many voters characterize as corrupt, ineffective, and inclined toward needless squabbling. Additionally, many democratic leaders are regularly described as distant and aloof from their constituencies and rarely make an effort to reach out to the public outside the confines of Belgrade. In municipalities throughout central Serbia, populist leaders have arisen who at least appear to listen to their constituents and attempt to deliver tangible, if simplistic and short-term, benefits. Many interlocutors in these cities told poloff that these local parties/leaders draw equally from supporters of the Radicals as well as from established democratic parties.

Snapshot: Local Populist Leaders

15. (U) Dragan "Palma" Markovic, head of the JS and mayor of
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Jagodina, is perhaps the most controversial member of this new coalition. Palma was co-founder of the SSJ together with accused war criminal Zeljko "Arkan" Raznatovic and was one of the commanders of Arkan's paramilitary group, the Tigers. After the wars, Palma developed a business empire which included a transportation company and the populist television station Palma Plus, which served as his own propaganda tool. Palma is known for employing various populist measures at the local level, including providing free medicine to the elderly, chartering 55 buses for supporters to attend a music festival, and even building a small zoo. Palma has also secured lucrative government contracts for his trucking firm and openly solicits bribes from local business owners. The undisputed master of Jagodina, Palma can probably deliver 15,000-20,000 votes to the coalition. The DSS is defending its coalition with Palma by arguing that the JS has no ties to the party of Arkan and is building strong ties at the local level. Palma highlights the fact that both he and Kostunica are both from villages in the central Serbian region of Sumadija.

16. (U) In the rust-belt town of Kragujevac, by contrast, SDPO leader and Mayor Veroslav "Verko" Stefanovic is a pragmatic politician who stays away from ideological battles. He was a co-founder of the SPO with Vuk Draskovic, but split off last year to form the SDPO, taking with him 9 of the original 13 SPO MP positions in the last parliament. Stefanovic is considered to be a populist who has secured support from Belgrade for the local Zastava plant, thus playing to his local base by making a tangible difference on the ground. Stefanovic is also active in the Standing Conference for Towns and Municipalities. Estimates are that Stefanovic could deliver some 30,000 votes for DSS, though these are likely to be on his personal appeal, not any affiliation with SPO (which is widely seen as Draskovic's sole domain).

17. (U) Suljeman Ugljanin, mayor of Novi Pazar and head of the List for Sandzak (LZS) and the SDA, recently developed

strong ties with Kostunica to support his battle with regional rival Rasim Ljajic - despite Kostunica having previously discounted Ugljanin as a Bosniak separatist. Ugljanin is widely believed to utilize undemocratic methods to maintain control at the local level. Kostunica's government undemocratically dissolved the local assembly in Novi Pazar, the regional capital, after they approved a recall motion against Ugljanin, while two LZS MPs, initially on the DS ticket, switched allegiance to DSS.

¶8. (U) Velimir Ilic, current minister for Capital Investment and head of the NS, is a larger than life personality who provides the link between Belgrade and Kostunica and the mayors at the local level (Ilic is a former mayor of Cacak). Allegations of corruption have been leveled against Ilic, and he has also been involved in public fisticuffs and episodes of harsh verbal abuse with journalists and other figures. Ilic and the NS' role in the government have been critical in securing support for Cacak and central Serbia, which has prospered greatly - some would say, disproportionately - from government infrastructure projects.

Comment

¶9. (SBU) More cynical analysts believe DSS is showing its true colors by entering into a coalition with local powerbrokers in order to play on nationalistic sympathies over Kosovo and thereby secure a strong mandate after the parliamentary elections. Many of these leaders, including Ilic and Palma, are nationalistic and/or corrupt, and will share the DSS appeal to patriotism and victimization. The DS has told us that they believe Kostunica's association with Palma will be a net loss for the DSS, arguing that it will repel urban DSS supporters. We have seen no evidence to suggest this is true.

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